

Message Text

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ACTION EA-09

INFO OCT-01 NEA-10 ISO-00 SP-02 USIA-06 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 L-03 H-01 PA-01 PRS-01 IO-13 EAE-00 /106 W
-----071109Z 053976 /12

P 070906Z MAR 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 6797

INFO AMEMBASSY DACCA PRIORITY

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USADB

FOR NAC AGENCIES

E. O. 11652: ADS, DECLAS 6/7/77

TAGS: EAID, EFIN, B

SUBJECT: ADB LOAN NO. 215-BAN(SF): BANGLADESH RAILWAY PROJECT

SUMMARY: ADB PRESIDENT RECOMMENDS APPROVAL OF BOARD OF DIRECTORS TO MODIFICATION IN SCOPE OF SUBJECT PROJECT TO INCLUDE PROCUREMENT OF 66 HOPPER WAGONS FOR TRANSPORT OF STONE BALLAST. IT IS FURTHER PROPOSED TO RETAIN PROVISION IN BANK LOAN FOR PROCUREMENT OF SOME BALLAST WHICH MAY STILL HAVE TO BE IMPORTED AND USE BALANCE OF AMOUNT PREVIOUSLY ALLOCATED FOR THIS ITEM FOR IMPORTATION OF HOPPER WAGONS. USADB DOES NOT PLAN TO OBJECT. END SUMMARY.

1. IN NOVEMBER 1974, ADB BOARD OF DIRECTORS APPROVED \$23 MILLION LOAN FROM SPECIAL FUNDS FOR RAILWAY PROJECT IN BANGLADESH. PROJECT INVOLVES REHABILITATION OF DETERIORATED TRACK AND BRIDGES ON CHITTAGON-DACCA RAILWAY LINE, AND ALSO INCLUDES CERTAIN ESSENTIAL LIMITED OFFICIAL USE

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WORKS FOR OVERALL IMPROVEMENT OF COUNTRY'S RAILWAY SYSTEM.

2. AT TIME OF PROJECT APPRAISAL, IT WAS ANTICIPATED THAT THERE WOULD BE CONSIDERABLE DIFFICULTIES IN PROCUREMENT OF STONE BALLAST FROM WITHIN BANGLADESH, WHICH IS AN ESSENTIAL COMPONENT OF RAILROAD TRACK, DUE

TO VERY RESTRICTED DOMESTIC SUPPLIES AND ANTICIPATED DIFFICULTIES IN REHABILITATING EXISTING BALLAST PRODUCTION COMPLEX. SUBSEQUENTLY, UNITED KINGDOM HAS COME FORWARD WITH ASSISTANCE TO FULLY REHABILITATE BALLAST COMPLEX, WHICH CONSISTS OF STONE COLLECTING AND CRUSHING COMPLEX AND 10.64 MILE LONG AERIAL ROPEWAY FOR TRANSPORT OF BALLAST TO RAILHEAD. FIRST STAGE IS EXPECTED TO BE COMPLETED BY MID-1977 AND SECOND STAGE BY MID-1978. IT IS NOW ANTICIPATED THAT ENTIRE QUANTITY OF BALLAST REQUIRED FOR PROJECT MAY BE SUPPLIED DOMESTICALLY. HOWEVER, IN CASE SOME OF ARRANGEMENTS FAIL, TIMELY IMPORTATION OF SOME BALLAST WOULD BE NECESSARY. (BY IMPROVISED MEANS, HANDBROKEN BALLAST IS NOW BEING CONVEYED.)

3. MEANWHILE, FOLLOWING A REPORT BY TRACK EXPERT ENGAGED UNDER PROJECT, GOVERNMENT HAS REQUESTED BANK TO MODIFY SCOPE TO INCLUDE PROCUREMENT OF 66 BALLAST WAGONS, TO BE FINANCED WITH FUNDS IN BANK LOAN ORIGINALLY ALLOCATED FOR IMPORTATION OF BALLAST. PRESENTLY AVAILABLE WAGONS ARE CONSIDERED TO BE GROSSLY INSUFFICIENT FOR 1000 MILES OF METER GAUGE TRACKS WHICH EXIST IN ADDITION TO PROJECT LINE (ABOUT 200 MILES). ADDITIONAL BALLAST WAGONS WILL BE REQUIRED BY LATE 1978 WHEN ROPEWAY IS EXPECTED TO BE FULLY REHABILITATED. WITH THESE WAGONS, BALLASTING WORK CAN BE DONE ECONOMICALLY, SCARCE FOREIGN EXCHANGE OTHERWISE SPENT ON IMPORTATION OF BALLAST WOULD BE SAVED, AND REHABILITATED ROPEWAY WOULD BE ABLE TO OPERATE AT FULL CAPACITY WITH ALL ITS MECHANIZED EQUIP-LIMITED OFFICIAL USE

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MENT. THESE ADDITIONAL BALLAST WAGONS WOULD ALSO BE VALUABLE PERMANENT ASSET TO RAILWAY FOR MAINTENANCE BALLASTING. THEY COULD ALSO BE USED TO SUPPLY BUILDING AND ROAD INDUSTRIES WITH STONE AGGREGATES, SOME OF WHICH ARE BY-PRODUCTS IN CRUSHING PROCESS AT ROPEWAY.

4. BALLAST WAGONS ARE OF COMMON TYPE MANUFACTURE IN SEVERAL COUNTRIES AND ARE PROPOSED TO BE PROCURED ON BASIS OF INTERNATIONAL COMPETITIVE BIDDING. TOTAL COST OF 66 WAGONS IS EXPECTED TO BE ABOUT \$1.52 MILLION. THIS AMOUNT IS PROPOSED TO BE FINANCED FROM PROVISION OF \$2.04 MILLION ALLOCATED IN BANK LOAN FOR IMPORTATION OF BALLAST. BALANCE IN ALLOCATION OF \$0.52 MILLION WOULD BE RETAINED IN LOAN TO FINANCE COST OF STONE BALLAST WHICH MAY STILL HAVE TO BE IMPORTED.

5. IN ABSENCE OF OBJECTION OR REQUEST FOR DISCUSSION BY C.O.B. MARCH 11 (MANILA TIME), RECOMMENDATION WILL BE DEEMED TO HAVE BEEN APPROVED. USADB DOES NOT PROPOSE

TO OBJECT. ADB DOC. R19-77 ON ABOVE SUBJECT WAS POUCHED
MARCH 4.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT LOANS, RAILROADS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Media Identifier:
Review Release Date: n/a
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Subject: ADB LOAN NO. 215-BAN(SF): BANGLADESH RAILWAY PROJECT SUMMARY: ADB PRESIDENT RECOMMENDS APPROVAL OF BOARD OF DIRECTORS TO MODIFICATION IN SCOPE OF SUBJECT PROJ
TAGS: EAID, EFIN, ELTN, BG, ADB
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